G R S IX 5]

Previous references

Preserve

1917-18 (Mauve)

File No 204

Serial Nos 1

Later references

2

GENERAL AND REVENUE SECRETARIAT

Serial Nos 172.

Part B for June 1918

SUBJECT

Letter from F. A Resident in Mysore forwards for information a copy of a resolution of the Govt of India in the Department of Education No 41 dated 16. 5 1918, on Local Self Government.

8(2) To the First Asst to the Resident in Mysore. Dol 1207 dated 27-6-18

Acknowledges with thanks the report in question.

W D 68—GPB—50,000—24-7-18

Sign: Abdur Rahman

21-8-18

G R. S III—1] 1917

GENERAL AND REVENUE SECRETARIAT

(Mund)

NOTES

File No 204/17

FILE HEADING

Govt of India Resolution on Local Self Government dated the 16th May 1918.

From The 1st Asst to Hon'ble the Resident in Mysore

No 4225 Dated 15-6-1918 Received 17-6-1918

Diary No	3297 Enclos 1	Spare Copies	Serial No 1

BRIEF ABSTRACT OF LETTER

Forwards for information a copy of a resolution of the Govt of India in the Dept of Hon No 41 of 16-5-1918 - Local Self Govt.

NOTES AND ORDERS

Draft of a letter to the Residency acknowledging the Copy of the Resolution submitted

2 The following are the salient points among those recommended for adoption by

NOTES—First Sheet

WD 1287—GPL—20,000—18-11-1

(2

G R S III-2)

General and Revenue Secretariat

Rd File No. 204 of 1917

Serial No

Govt of India
Directs nominated & elected members not to vote

(i) a portion of the members of a local body to be elected & the remainder & the members thus elected to hold office for a period longer than ordinarily prescribed (para 5 of the Resolution)

(ii) Government servants may stand for election as Chairman (para 7) but they should cease to vote

(iii) External control of powers of taxation in Municipalities (para 10) and rural boards (para 11)

(iv) Outside powers of intervention defined. (para 17)

(v) Constitution of a Central body preferable to a Standing Committee for local and Municipal Affairs (para 8

(vi) As regards Village Panchayats (paras 20 & 25) it is d

NOTE—Contn. sheet

G R S III-2

General and Revenue Secretariat

Ind. File No. 284 of 1917

Serial No	
	Submitted that the principles enunciated in Mysore and the recommendations of the Govt of India are in accord with the views
	MK 21 6 0/18 3 for perusal of the copy of Relation and forming opinion
	4 Govt
	MK 23/6
	Rec'd) 4 Secy to Govt Rev Dept to — 2nd member for perusal.
	kgl 24 6 18
2	To the 1st Asst to the Resident in Mysore. Pol 1207 dy 27 6 18 Acknowledge with thanks
	5 Replied with reference to para 4 above
	MK 5 7 1918 6 Submitted for perusal
	MK 6.7.18
	2nd Member) Seen.
	8/7/18 Vide letter on page-
	Issued (Vide 62) Dept
	MK 8/7 8 7 18 — kgl

NOTE—Contn sheet.

E. O. 2—E P B.—8-1918—1 000

No 4225

D 8297

Ml 204-17-1

FROM

MAJOR B. H. S JAMES,

FIRST ASSISTANT TO THE RESIDENT IN MYSORE.

17 JUN 1918

1822

18.6.18

To

The Chief Secretary to the Government of
His Highness the Maharaja of Mysore.

Dated Bangalore, 15th June 1918

SIR,

I am directed to forward, for information, a copy of a resolution of the Government of India in the Department of Education No 41, dated the 16th May 1918, on Local Self-Government.

I have the honour to be,
Sir,
Your most obedient servant,

First Assistant Resident

No 41

GOVERNMENT OF INDIA.

DEPARTMENT OF EDUCATION

MUNICIPALITIES

Simla, the 16th May 1918

RESOLUTION

It was announced in the House of Commons on the 20th of August 1917 that the policy of His Majesty's Government, in respect of the future of this country, was that of increasing the association of Indians in every branch of the administration and the gradual development of self governing institutions with a view to the progressive realisation of responsible government in India as an integral part of the British Empire It was added that progress in this policy could only be achieved by successive stages and that the British Government and the Government of India, on whom the responsibility lay for the welfare and advancement of the Indian peoples, must be the judges of the time and measure of each advance and must be guided by the co operation received from those upon whom new opportunities of service would thus be conferred and by the extent to which it was found that confidence could be reposed in their sense of responsibility

Declaration of 20th August 1917

2 In commenting on this pronouncement in the Imperial Legislative Council on the 5th of September 1917, His Excellency the Viceroy explained that there were three roads along which an advance should be made towards the goal indicated in the above pronouncement Of these the first road was in the domain of local self government, the village or rural board and the town or municipal council The domain of urban and rural self government was the great training ground from which political progress and a sense of responsibility have taken their start, and it was felt that the time had come to quicken the advance, to accelerate the rate of progress and thus to stimulate the sense of responsibility in the average citizen and to enlarge his experience

Progress to be made in local self government

The object of the present Resolution is to indicate the manner in which the Government of India would desire to initiate the progress to be made along this road of local self government

3 Although the beginnings of local bodies can be traced to an earlier epoch, the course of local self government, as now understood, was first set out by the government of Lord Ripon more than 30 years ago A determined effort was made by the Government of India in 1881 to 1884 to implant a system of local self-government in the country and much was said and written on the subject in those years During and shortly after that period a number of Acts were passed to form the foundation of the new arrangements There was, however, little enthusiasm about the further development of the system either in official circles or outside and the advance during subsequent years, though not inconsiderable, has on the whole been slow As might be expected, it has been more rapid in the great towns, but it has lagged behind over the country at large

The policy of Lord Ripon's government.

In 1907-09 the whole field of local self government came under the consideration of the Decentralization Commission, and that Commission made a number of detailed proposals on the subject almost all of which were in the direction of giving greater scope and freedom

The Decentralization Commission and the Resolution of 1915

to local bodies These proposals were referred in 1909-10 to local Governments, and a large mass of opinions was received during the ensuing three or four years The Secretary of State had, meantime, intimated his opinion that the time had come to undertake a general review of the results obtained by the policy of Lord Ripon's government, and the Government of India after an intermediate correspondence with the Secretary of State and local Governments complied with this desire by embodying their views on the proposals of the Commission in a comprehensive Resolution on the main problems of local self government This Resolution was issued in April 1915 After pointing out the degree of substantial progress that had already been achieved and the signs of vitality and growth that were everywhere apparent, it proceeded to explain the obstacles in the way of realising completely the ideals which had prompted action in the past The smallness and inelasticity of local revenues, the difficulty of devising further forms of taxation, the indifference still prevailing in many places towards all forms of public life, the continued unwillingness of many gentlemen to submit to the troubles, expense and inconveniences of election, the unfitness of some of those whom these obstacles did not deter, the prevalence of sectarian animosities, the varying character of the municipal area—all these were causes which could not but impede the free and full development of local self government The growing demand among the educated classes in towns for greater efficiency involving more direct expert control in matters affecting public health and education was a further influence of a different character, but, while these and similar considerations indicated the need for caution, the Government of India, on the whole, declared themselves unhesitatingly in favour of a general policy of further progress limited only by such conditions as local circumstances might dictate At the same time, the Resolution emphasized the fact that any attempt to exact uniformity in local administration would be foredoomed to failure, and on a review of all the circumstances the Government of India decided to accept in almost every case the conclusions of each local Government as to the degree of progress possible at the present time The Resolution therefore, while indicating in broad outlines the ideals which the Government of India had before them, left the local Governments in most respects to move towards these ideals in the manner and at the pace which was considered best fitting to local circumstances In some provinces—as in the United Provinces, Bengal and Assam—legislation has since been effected or initiated and in others action has been taken in other ways towards securing further progress on the lines suggested by the Commission, but as a rule the statutory provisions for local self-government have remained unchanged since the Resolution of 1915 was issued and no remarkable departure of a general character has been made from the previously existing arrangements

In their recent correspondence with the Secretary of State on the general subject of constitutional reforms the Government of India have considered afresh the whole subject of local self government and have laid before the Secretary of State a scheme of expansion suited to the altered circumstances of the present time Having received his approval to their recommendations they now desire to intimate the lines upon which they would wish local Governments to move in the direction of more complete local self government. The Government of India fully recognise that it will not be possible to make all the injunctions formulated below of absolutely uniform application and are, therefore, willing to reserve to the local Governments the power to modify their application in specific cases and for specific reasons but they expect that in the absence of such specific occasions a substantial advance should now be made on the lines laid down, and from indications received in the course of their recent communications with heads of local Governments, they believe that the local Governments, each in its own degree, are also anxious to adopt a forward policy in general conformity with the wishes of the Government of India

The main principles involved.

4 As the whole subject has been so recently dealt with in the Resolution of 1915, the Government of India do not propose to re-state the history or the objects and principles of local self-government in this country at any length. The first and foremost principle which was enunciated in Lord Ripon's

Resolution of May 1882 and which has since been emphasized by successive Secretaries of State, is that the object of local self-government is to train the people in the management of their own local affairs and that political education of this sort must, in the main, take precedence of considerations of departmental efficiency It follows from this that local bodies should be as representative as possible of the people whose affairs they are called on to administer, that their authority in the matters entrusted to them should be real and not nominal, and that they should not be subjected to unnecessary control, but should learn by making mistakes and profiting by them The general policy, therefore, must be one of the gradual removal of unnecessary Government control and of differentiating the spheres of action appropriate for Government and for local bodies respectively So far as education is concerned, the views of the Government of India have been already communicated in their circular no 873 of the 19th September 1916 and the present Resolution will not deal with the educational aspects of the policy The control of Government over local bodies is at present exercised both from within and from without, and it is mainly by the substitution of outside for inside control and by the reduction of outside control, so far as is compatible with safety, that progress in the desired direction will be achieved The internal control is capable of relaxation by the introduction of a greater use of election in the selection of members and chairmen of boards, and the external control by such means as the removal of unnecessary restrictions in connection with taxation, budgets, the sanction of works and the local establishments

Internal control — Elective majorities on boards

5 In dealing with the election of members to local bodies the Decentralization Commission proposed that municipal boards and rural boards—district and sub district—should ordinarily have a substantial elective majority, nominated members being limited to a number sufficient to provide for the due representation of minorities and of official experience In their Resolution of 1915 the Government of India approved this policy as regards municipalities, subject to the proviso that where its success might be doubtful it should be introduced gradually, and as regards rural boards, they observed that local Governments in general were in sympathy with the Commission's proposal At present something over a half of the members in municipalities and something under a half in rural boards are elected, and the Government of India are now of opinion that as a general principle the Commission's proposals in favour of a substantial elective majority, both as regards municipalities and as regards rural boards, should be accepted and carried out by the local Governments Where the members of district boards are elected by the sub-district boards there is no reason to interfere with this arrangement, but the observance of the principle should be enforced as regards the elective element in the membership of the sub district boards which make the elections for the district boards As regards the special representation of minorities where this is necessary, the Government of India would prefer that this should be effected by retaining the practice of nomination rather than by introducing some system of communal or proportional representation But, as regards the special representation of official experience, they consider that this might often be adequately secured by the nomination to the board of men possessed of such experience for purposes of advice or discussion only and without the right of voting It has been suggested that, apart from the officials who would count as supernumeraries under the above arrangement, the proportion of nominated members on a board should not ordinarily exceed one fourth, and it will be open to local Governments to adopt a standard of this character, but the Government of India recognise that in the case of boards to which the elective system has not hitherto been applied there may be local opposition to the immediate introduction of election on so extensive a scale and the proportion of nominated members on boards must necessarily vary from place to place In cases where it is considered advisable to retain the power to nominate to a certain number of posts for the purpose of retaining the services of men who would not stand for election, it should be considered whether a system by which a proportion of the members should be co opted by the remainder and hold office for a period longer than that ordinarily prescribed would not serve to meet the same object In one province proposals are now

under consideration for dispensing altogether with nomination by (i) omitting the official members in view of the existence of expert servants of the boards, (ii) meeting the case of minorities by communal representation, and (iii) introducing a system of co opted 'aldermen' on the lines above described in order to attract men who will not stand for election Except so far as it provides for communal representation, a scheme of this character coincides with the principles which the Government of India themselves advocate and, in the cases where the question of communal minorities does not arise, it indicates a line of action which ensures the full exercise of the right of election to local bodies. It should be recognised that by whatever method this may be effected a substantial increase should be secured in the present elective element in local bodies and in view of this contemplated increase the Government of India desire that district officers should as recommended in paragraph 534 of the Decentralization Commission's Report utilize their district boards more fully than at present for consultation and advice in matters of general concern which lie outside the sphere prescribed for the activities of these boards

Extension of the franchise

6 In accepting the proposals of the Decentralization Commission with regard to the provision of a substantial elected majority on local bodies, the Government of India desire to add the important corollary that the franchise for such election should be sufficiently low to obtain constituencies which will be really representative of the body of the rate payers So far as information is at present available, it would appear that the average electorate in municipalities in India represents some 6 per cent of the population and the electorate in district boards some 6 per cent It is recognised that a full elective system analogous to that which obtains in the West (such as the municipal franchise in England which is understood to include some 16 per cent of the population concerned) cannot be immediately or universally applied, but it should be regarded as the end to be kept in view and worked up to The relation of the electorate for local bodies to that which may hereafter be provided for purposes of elections to the provincial legislatures is a matter which will have to be taken up separately but several local Governments have already under consideration an extension of the existing franchise for rural boards and where such extensions can be made without recourse to special legislation there is no objection to their being carried out at once if the local Governments concerned are of opinion that this can be done without inconvenience An enlarged franchise is in any case an essential condition of an extension of the elected element on boards and it should be understood that the increase in the elective element on local bodies must, if it is to be of value, be accompanied sooner or later by a substantial extension of a franchise upon which that election is based

Elected chairmen in municipalities

7 In dealing with the appointment of chairmen in municipalities the Decentralization Commission desired that the municipal chairmen should ordinarily be elected non-officials, that Government officers should not be allowed to stand for election and that if a nominated chairman was required, an official should be selected The Government of India in their Resolution of 1915 accepted this view, subject to the qualification that in special cases in which it was necessary to nominate the chairman (election being the ordinary method) discretion should be reserved to local Governments to nominate non officials as well as officials, and subject also to the further condition that although boards should not be absolutely prohibited from electing officials, the election of an official should be a special matter requiring confirmation by the Commissioner or by some higher authority It may be roughly laid down that at the present time one third of the chairmen in municipalities in India are nominated officials, one-third are elected officials and one third are elected non-officials, but certain local Governments have latterly evinced a desire to increase the proportion of elected non official chairmen within their respective areas The Government of India accept the proposals of the Decentralization Commission as qualified by the Resolution of 1915 on the understanding that when an official is elected to be a chairman the election should be by a majority of the non-official votes. In

certain provinces, such as Burma and the United Provinces, it is already the ordinary practice for municipalities to elect their chairmen In others, as in Bihar and Orissa and the Punjab, efforts have been made of recent years, but have not always met with the consent of the municipalities concerned, to increase the number of elected chairmen In others, as in Bengal and Bombay, the principle of election has in practice been extended and further extensions have been seriously considered The Government of India trust that the principles which they have laid down above will commend themselves to local Governments and they hope that under the arrangement now prescribed there will be a general replacement of nominated official chairmen of municipalities by elected non officials, though municipalities should be able to elect an official as chairman, or if they so desire, to ask the Government to nominate a chairman

System in large cities

8 The Decentralization Commission, however, indicated that in the larger cities it would be desirable to adopt the practice which has been worked with success in the city of Bombay In order that the large amount of every day administration necessary should be efficiently carried on, this administration is in Bombay placed under a special nominated Commissioner, who is, however, subject to the general control of the corporation and of its standing committee This proposal was commended in the Resolution of 1915, and it appears to the Government of India to be worthy of consideration So long as the executive officer of a city is protected from the possible caprices of a board by provisos requiring that, though his nomination may be by the board, his appointment should be approved by Government and that he should not be removed without the sanction of the Government unless by the vote of a substantial majority of the board, it is not necessary to require that the executive officer should be a Government official, and competent men can be appointed to the post who have not been or no longer are in Government service A system of executive officers on the above general lines has been rendered possible in the cities of the Bombay Presidency by legislation passed in 1914, and in the United Provinces by the United Provinces Municipalities Act of 1916 while a similar system is contemplated by the legislation now under consideration for the corporations of Calcutta and Madras

Elected chairmen in rural boards

9 As regards rural boards the Decentralization Commission found that in practice the Collector was nearly always the president of the district board either *ex officio* or by nomination or by election, and that the sub district boards were also, as a rule, presided over by official subordinates of the Collector They recommended that the Collector should remain as president of the district board as it was undesirable to dissociate him from the interests of the district and it was important to utilise his administrative experience They differentiated the circumstances of rural boards from those of municipalities in that the latter are less connected with general district administration, that they had reached a higher level of political education and that their jurisdictional area was much smaller and more compact For these reasons, they held that it was desirable that the presidency of rural boards should continue to vest in the Collector and his assistants but they added that the vice presidents should, in each case, be elected non officials The Government of India in their Resolution of 1915 accepted the view of the Commission above cited They added, however, that they would have no objection to non official chairmen being retained where they already existed or freshly appointed where a local Government desired to make the experiment From statistics provided in 1916 it would appear that at that time out of 191 district boards only 13 had non official presidents (elected), all but one of these being in the Central Provinces and as regards sub district boards out of a total of 525, the chairmanship of 41, mostly in Bengal, was held by elected non-officials and of 20, nearly all in Madras, by nominated non officials Since these figures were collected, however, fresh experiments have been made, more especially in Bengal and Bombay, to extend the principle of elected non official

chairmen, and other provinces also have evinced their desire to move in this direction

The circumstances of district boards and of large sub-divisional boards, such as those in Madras, are materially different from those of municipalities, since they need much more time and widely extended travelling on the part of the head of the board if the work is to be satisfactorily carried out The Government of India would urge provincial Governments to arrange for the election of chairmen, wherever this is possible, and where this is not possible to encourage the appointment of non official chairmen When the chairman is a non official, however, they think it essential in regard to district boards and to such sub district boards as deal with large areas that, as in the case of large cities, the ordinary official work should be largely in the hands of a special executive officer, whose appointment should require the approval of the Government and who should not be removed in ordinary circumstances without Government sanction If such a board, wishing to save the expense of a special officer, or desirous of remaining under the presidency of the Collector or of one of his assistants, should wish to elect such an official as chairman, the Government of India think that its wishes might be acceded to, subject to the condition that the election should be made by the non official members of the board and that it should be a special matter requiring confirmation by the Commissioner or some higher authority

External control — Powers of taxation in municipalities

10 In the above paragraphs the views of the Government of India have been expressed in favour of a liberalization of the constitution of local bodies and the consequent substantial reduction of what is ordinarily termed the "internal control" of local bodies by the Government Turning to the other aspect of the case, namely, the possible reduction of external Government control, they would first deal with the matter of local taxation Under this head the Decentralization Commission were of opinion that municipalities should have full liberty to impose or alter taxation within the limits laid down by the municipal laws, but that the sanction of an outside authority to any increase in taxation should be required where the law did not prescribe a maximum rate The Government of India in their Resolution of 1915 expressed a general sympathy with the Commission's recommendations They thought, however, that power to vary any tax might be reserved by such local Governments as were unable to accept in full the recommendations of the Commission, and that in the case of indebted municipalities the previous sanction of higher authorities should be required to any alteration of taxation The suggested proviso that local Governments should have power to vary any tax is one that practically renders the general principle nugatory as it enables local Governments to decline to act upon it, and the Government of India consider that this proviso should now be given up in the case of boards which contain substantial elected majorities The further proviso with regard to indebted municipalities is undoubtedly sound in cases where the Government has lent money to a municipality or guaranteed repayment of its loans and in that case the sanction of Government should obviously be required to any alteration in taxation which might reduce the municipality's resources Subject to this proviso, the Government of India consider it most important that municipal boards should be allowed to vary taxation in the manner proposed by the Commission In cases where the constituencies are (as the Government of India consider it essential that they should be) so organized as to be really representative of the body of the rate payers a municipal board which abuses its powers of taxation will be open to correction by its own constituents and, as will be observed from the remarks made in paragraph 17 below, it is proposed that in cases of grave abuse the Government should retain special powers of intervention

Powers of taxation in rural boards

11 The bulk of the income of rural boards is derived from a cess levied upon agricultural land over and above the land revenue and not usually exceeding 1 anna in the rupee, or 6¼ per cent on the rent value or on the land revenue according to the circumstances of the

province Subject to an exception in favour of railway construction, the Decentralization Commission held that district boards should not be empowered to raise the land cess beyond the above mentioned limits They represented that the policy of the Government was in favour of lightening the burden on land, that district boards were not fully representative, and that changes in the rate of cess would lead to misunderstanding and fraud They accordingly declined to recommend the grant of unlimited powers of taxation to rural boards, but thought that they should have power to raise the ordinary land cess up to a rate of 1 anna in the rupee on rental value and to levy rates and fees at their discretion within the limits laid down in the various Acts, the sanction of the Commissioner being required for proposed changes in the rates where no limits had been laid down by the law In their Resolution of 1915 the Government of India observed that under present conditions any proposal to raise the limit imposed by the existing law would require the previous sanction of the Government of India, that such proposals would need the most careful consideration on their merits and that the Government of India did not consider it necessary for the present to make any pronouncement on the subject Under the general principle indicated above in respect of municipalities the Government of India would now accept a somewhat similar position Where no limit has been imposed by the law on the rate of the cess, a change in the rate at which the cess is levied will need the sanction of outside authority but where a limit is imposed, either by existing or by future legislation, a rural board will be at liberty to vary the rate at which the cess is levied within the limits imposed by law without the interference of outside authority

The control of services paid for by local bodies

12 The Commission proposed that, if a municipal or rural board had to pay for a service it should control it and that, where it was expedient that the control should be largely in the hands of Government, the service should be a provincial one The Government of India, though not prepared to accept the proposal in full, declared in their Resolution of 1915 that they approved of it in a somewhat modified form They considered that charges should be remitted in cases where a local body contributed to Government for services inherent in the duty of supervision and control by Government officers or services which could not expediently be performed except by Government agency For example, Government might properly cease to charge for clerical establishments in the offices of supervision and control or for the collection of district cesses which it was clearly expedient to realise along with the Government revenue The Government of India are now of opinion that in this matter it would be well to go the whole way with the Commission, in accordance with the general principle that if local bodies have to raise funds for any particular object they should have the control of these funds If a board is to provide, for instance, for civil works or medical relief, it ought, subject to such general principles as the Government may prescribe, to have real control over the funds thus provided, and should not be under the constant dictation of Government departments in matters of detail

The budgets of local bodies

13 Commenting on the minute control exercised in some provinces over municipal finances, the Decentralization Commission recommended that municipalities should have a free hand with regard to their budgets The only check required should, in their opinion, be the maintenance of a minimum standing balance to be prescribed by the local Governments They acknowledged that relaxation in control might lead to mismanagement but they were of opinion that municipal bodies could attain adequate financial responsibility only by the exercise of such powers and by having to bear the consequences of their errors Further check would be provided by the control which local Governments would exercise over loans and by the power which should be reserved to compel a municipality to discharge its duties in cases of default In dealing with these proposals in their Resolution of 1915 the Government of India while introducing exceptions suggested by various local Governments, declared that, though they would accept these reservations for the present, they nevertheless regarded

the recommendations of the Commission as expressing a policy to be steadily kept in view and gradually realised The Government of India now desire that local Governments should make every effort to attain the full realisation of the recommendations in question as soon as possible

A similar recommendation was made by the Decentralization Commission in respect of rural boards, and the Government of India in their Resolution of 1915 considered that the present restrictions on the powers of these boards with regard to the general principle of budget expenditure should be gradually relaxed with due regard to local conditions and requirements, the fact that an official would almost invariably be the chairman and that powers of inspection and control were retained by Government being sufficient safeguard against gross mismanagement In this case, as in that of municipalities, the Government of India desire that the recommendations of the Commission should be realised as soon as possible subject only, as in the case of municipalities, to control in the case of rural boards which are indebted to Government and in cases of gross default

Specification of income and earmarking of grants.

14 The Government of India would similarly endorse the recommendation made in the Decentralization Commission's Report that the system of requiring local bodies to devote fixed portions of their revenues to particular objects of expenditure should be done away with as unduly limiting their freedom of action, subject, as indicated by the Commission, to outside intervention in cases of grave neglect or disregard If the Government give a grant for a particular object, the money must, of course, be applied thereto, but the Government of India endorse the Commission's recommendation that grants in aid should normally take the form of a lump grant or a percentage contribution towards specific services rather than be more definitely earmarked If, again, funds have been raised locally for particular objects, they must necessarily be applied to those objects, but otherwise the general principle laid down by the Commission is one which the Government of India would wish to see ordinarily observed

Sanction for works

15 The Decentralization Commission further proposed that the existing restrictions on municipalities which require outside sanction for works estimated to cost more than a certain amount should be removed, but that Government should scrutinize and sanction estimates of projects to be carried out from the loan funds In their Resolution of 1915 the Government of India observed that the majority of the local Governments were prepared to relax the existing rules in the direction of giving more freedom to municipal boards, and the Government of India expressed themselves in favour of extended freedom subject where necessary, to proper precautions against extravagant and ill-considered projects With reference to a similar recommendation made by the Decentralization Commission in respect of rural boards the Government of India in their Resolution expressed their opinion that the grant to rural boards of full powers in the allotment of funds and in the passing of estimates could not for the present at least be conceded, but the extent of the necessary financial control might depend in the case of rural boards on the competence of the staff employed, and where this varied it would not be desirable to lay down hard and fast rules for the whole of a province The Government of India still adhere to the views expressed by them in 1915, but they desire to go somewhat beyond the general pronouncement then made and would ask for a definite indication on the part of local Governments that, allowing for the necessarily different circumstances of different boards, there will now be made a material advance in the direction of the proposal made by the Decentralization Commission It may be found convenient to arrange for this advance by a classification of bodies according to the character of their local technical staff, and to divide them into three or more classes according as sanction is not required, or is required in the case of works whose cost is calculated to exceed certain specified figures

Establishments of local bodies

16 It was also recommended by the Decentralization Commission that the degree of outside control over municipal establishments should be relaxed, but that the appointments of municipal secretaries or other chief executive officers or engineers and health officers, where these existed, should require the sanction of the local Government in the case of cities and of the Commissioner elsewhere, and that the same sanction should be required for any alteration in the emoluments of these posts and for the appointment and dismissal of the occupants As regards other appointments, the Commission proposed that the local Government should lay down for municipal boards general rules in respect to such matters as leave, acting and travelling allowances, pensions or provident funds and maximum salaries, and that their sanction should be required for any deviation therefrom The system recommended by the Commission is already substantially in force in Bombay, and almost all the local Governments expressed their willingness to relax outside control over the appointment of the staff employed by local bodies The Government of India are now of opinion that steps should be taken to carry out into practice the general recommendations of the Commission in respect of municipalities and that as regards rural boards, for which the Commission made similar recommendations, similar action should be taken They consider, moreover, that the requirement of Government sanction to the appointment and dismissal of the special officers above mentioned may properly be accompanied by the right on the part of Government to require their dismissal in cases of proved incompetency

Outside powers of intervention

17 In addition to the specific forms of outside control to which reference has above been made, the existing legislation confers certain special powers of intervention on the part of Government officers The Decentralization Commission were of opinion that the Collector should retain certain powers given under the existing Acts, such as the power to suspend in certain cases the operation of municipal resolutions and that the Commissioner should be able to require a municipality, which had neglected a particular service, to take such action as he might consider necessary The local Governments generally, and the Government of India in 1915, were of opinion that special powers of outside control were necessary and should continue The Commission also recommended that the special powers of control over rural boards vested in outside authorities under the existing Acts should continue, and the local Governments in general and the Government of India accepted this view

It is certainly necessary to maintain such ultimate powers of intervention which are in no way peculiar to India and which carry out the view expressed in paragraph 17 of the Government of India's Resolution of the 17th of May 1882, that the control of Government over local bodies should be exercised from without rather than from within, and that the Government instead of dictating the acts of local bodies should revise and check them In view of the relaxations which are contemplated in respect of the powers of external control exercised by Government in respect of taxation, budgets, public works and local establishments, it might be expected that the powers of Government officers in respect of external intervention should, if altered at all, be altered in the direction of greater stringency In consequence of the increasing demand for sanitary improvements, it may indeed be necessary to provide a special agency for enforcing modern requirements in the matter of sanitation, and to provide that agency with adequate powers, and this is a matter upon which the Government of India will, if necessary, address local Governments separately at a later date It is moreover possible that very important changes may be necessary hereafter in the procedure and organization of public works establishments as a consequence of the inquiries recently made by the Public Works Department Reorganization Committee whose report is at present under the consideration of the Government of India But, as has been already remarked at the outset of this Resolution, the general principle before the Government of India is that, except in cases of really grave mismanagement, local bodies should be permitted to make mistakes and learn by them rather than be subjected to interference either from within or from outside The

Government of India do not therefore, with the possible exceptions above noted, suggest the addition of any substantial powers of intervention on the part of Government officers, and they trust that in the exercise of such powers as the law allows the principle which has above been referred to may be borne in mind They would further suggest that penal action from outside might in some cases be dispensed with if the Government took power to itself to dissolve a municipal council or rural board and require a fresh election before making use of the more drastic powers conferred upon it by the legislature

Central control

18 As regards the agency through which the outside control of Government should be exercised the proposal has from time to time been put forward that the main powers of control should be concentrated in the hands of a central board at provincial headquarters working under Government and invested with powers of compulsion similar to those enjoyed by the Local Government Board in England A proposal to constitute a board of this character was put forward for Bengal in 1882 and was negatived by the Secretary of State It was again examined by the Decentralization Commission and rejected by them in 1909 The local Governments concurred in the conclusions of the Commission and the Government of India, in their Resolution of 1915, vetoed the scheme as not only unnecessary but tending also to perpetuate the very centralization in local affairs which it is the object of Government to diminish The Government of India recognise that the powers of Collectors and Commissioners should be maintained but they would suggest for the consideration of the provincial Governments the constitution of a central body which should co ordinate the experiences of the local bodies and provide improved control and guidance by entertaining further expert inspecting establishments, if necessary Such a central body should be in direct touch with the Government and might fitly be presided over by a member of the Executive Council where such exists It should further be considered whether in place of a formal board there might not be a Standing Committee for local and municipal affairs in direct contact with the Government, to be largely drawn from elected members of the Legislative Council

Notified areas etc

19 In the above paragraphs the Government of India have indicated a few of the main principles which they consider should be borne in mind in the future relations of Government to the local bodies ordinarily known as municipalities and district or sub district boards They do not consider it necessary to lay down any general principle in regard to embryonic municipalities whether these be styled "notified areas", or "village unions" as in Madras, or "town panchayats" as suggested by the Decentralization Commission Many of the bodies dealing with these areas will in due course develop into municipal councils, but until they are fit for this stage they must obviously be subjected to greater control and be less non-official in character It might often be undesirable, for instance, that the chairman should be a non official The development of these bodies is left to the discretion of local Governments subject merely to the general instruction that they should be allowed as full authority as is possible and their powers should be gradually enhanced

Village panchayats.

20 The policy initiated by the Resolution of Lord Ripon's government related solely to the machinery of local self government as represented by municipal or sub district boards, but reference has, from time to time, been made during subsequent years to the possibility of providing some organization for the development of village life and this aspect of the question was brought into special prominence by the Decentralization Commission of 1909 A special section of their report was devoted by that Commission to the question of village panchayats and the Commission indicated the principles upon which such panchayats should, in their opinion, be instituted As, however, there is some misapprehension as to the nature of the recommendations of the Commission, it is advisable to bear in mind the crucial point that in their proposals in this respect, the Decentralization Commission were not contemplating an additional machine for the promotion of local self-government in the sense in which that term is used in the Resolution of Lord Ripon's government and in subsequent official literature but desired to develop the corporate life of the individual villages and to give the villagers an interest in, and some control over, local village affairs. Consequently, they made a clear distinction between the panchayat organization

which they recommended and artificial agglomerations, such as the Madras local fund unions, the chaukidari unions in Bengal and the sanitary committees to be found in the United Provinces, Bombay and the Central Provinces These artificial organizations may be found useful as an adjunct to local self-government in the sense in which that word is used in the Resolution of 1882 by affording smaller administrative areas in that connection than those administered by municipal or sub district boards, but such organizations are quite unconnected with the development of individual village corporate life The Decentralization Commission have pointed out that the common traditions of the village, the fact that the inhabitants are largely connected by ties of blood and caste and by many interests in common and the measure of corporate life still existing in Indian villages which is shown occasionally by voluntary taxation for special purposes warrant the action recommended by the Commission for the organization of panchayats The Government of India consider that the distinction drawn by the Commission is a real one and that in dealing with the principles governing general proposals in respect of panchayats attention should be confined either to individual villages or to villages which are so closely connected that their people habitually act together

Proposals of the Decentralization Commission in respect of village panchayats

21 The Decentralization Commission recognised, however, very clearly that the different character of the villages not merely in different provinces but in a single province and even within the parts of a province would necessitate caution in taking up the policy of developing panchayats, and the Government of India while recognising the necessity of making some effort in the direction of developing village government are constrained to emphasize the note of caution sounded by the Commission Similarly, while the Commission indicated certain general functions and powers which might be allotted to panchayats, they were careful to explain that there should be no question of developing these on any uniform system They contended that functions must be gradually and cautiously assigned and must vary with the circumstances of the locality and the manner in which the panchayat discharges the duties first placed upon it They recommended that the panchayats should be placed under the district authorities and if possible, under special assistants, that they should be confined, as a rule, to one village, and that the members should be informally selected, the headman being ordinarily *ex officio* chairman They proposed that to these panchayats should be attached civil and criminal jurisdiction in petty cases but that the courts might be given special revisional jurisdiction in cases where there appeared to be some grave miscarriage of justice The administrative functions of the panchayats were to include sanitation and education and the power of taxation being likely to lead to unpopularity was not to be conferred, but the panchayat was to obtain part of the land cess and grants from sub district boards or Collectors together with small fees, etc

Views expressed in the Resolution of 1915

22 With the general line of the Commission's proposals the Government of India in their Resolution of 1915 expressed their concurrence, and in leaving the matter in the hands of local Governments they suggested the following general principles as indicating the lines on which advance was most likely to be successful —

(*i*) The experiments should be made in selected villages or areas larger than a village, where the people in general agree

(*ii*) Legislation, where necessary, should be permissive and general The powers and duties of panchayats, whether administrative or judicial, need not and, indeed, should not, be identical in every village

(*iii*) In areas where it is considered desirable to confer judicial as well as administrative functions upon panchayats the same body should exercise both functions

(*iv*) Existing village administrative committees, such as village sanitation and education committees, should be merged in the village panchayats where these are established.

(*v*) The jurisdiction of panchayats in judicial cases should ordinarily be permissive, but in order to provide inducement to litigants, reasonable facilities might be allowed to persons wishing to have

their cases decided by panchayats For instance, court fees, if levied, should be small, technicalities in procedure should be avoided and possibly a speedier execution of decrees permitted.

(*vi*) Powers of permissive taxation may be conferred on panchayats, where desired, subject to the control of the local Government but the development of the panchayat system should not be prejudiced by an excessive association with taxation

(*vii*) The relations of panchayats on the administrative side with other administrative bodies should be clearly defined If they are financed by district or sub district boards, there can be no objection to some supervision by such boards

Modifications now suggested in the above views

23 The development of the panchayat system has since attracted considerable attention in several provinces and legislation has been introduced in Assam for the purpose of instituting a system of this kind, while a special committee has investigated and reported on the subject in the United Provinces The Government of India desire that the matter should be further pursued and with the exceptions noted below they concur in the views expressed in the Resolution of 1915 They would, however, modify the first of the principles suggested in that Resolution by saying that the area under a panchayat should normally be a village unless, as above stated, villages are so closely connected that they may be treated as one The Government of India would further omit the seventh of the principles quoted above on the ground that at the present stage it is not desirable to make any rigid classification of the connection of panchayats with other administrative bodies from which indeed they should be kept apart as much as possible, while the way in which they do their work should be tested by inspections by the administrative district staff At the outset, moreover, such control as is necessary in the way of replacing incompetent panchayats or members of panchayats, should be exercised by the local revenue officers provided that these be of a grade higher than that of Tahsildar

As regards the constitution of the panchayat, the points to which the Government of India attach most importance are the association of the principal village officers with the panchayats and an informal election of the other members by the villagers themselves They would, however, allow the panchayat to choose its own president and would not render it obligatory that the president should be the village headman as suggested by the Decentralization Commission Of the possible functions to be assigned to panchayats the most important are, in their opinion, village sanitation and village education (in the directions indicated in paragraph 712 of the Decentralization Commission's Report) and jurisdiction in petty civil and criminal cases With reference to this last class of functions, it is especially desirable that the panchayat should be, as a rule, a body representing a single village, otherwise the great safeguard for the proper disposal of such cases, namely, local public opinion, will be lost It should also be permissible, though not as the Commission suggested universally necessary, that the panchayat should receive some portion of the land cess raised in their villages The Government of India are also prepared, differing herein from the opinion of the Decentralization Commission, to allow to the panchayats voluntary powers of supplementary taxation, the proceeds of which would be devoted to the special purpose or purposes for which the tax was levied.

Exceptions and alternatives

24 Where it is decided to call these panchayats into existence, the legislation entailed should be as simple and elastic as possible with the fullest scope for details These may be left to rules which will be gradually evolved and be improved by experience The Government of India, however, recognise the impossibility of any universal enforcement of a system of panchayats by reason of the different circumstances prevailing in different tracts, in some of which indeed there are no regular villages at all It is essential, however, that an effective beginning should be made, where possible , and, if the Government of any province, where there is still some real village life, should think that these recommendations are unsuited to local circumstances, it will be open to such a Government to put forward alternative proposals It is not, for instance, intended to prevent in any way the establishment of unions or circles for local self government purposes As observed above, such unions or circles may be a

very useful adjunct to district and sub district boards relieving them of duties which can be better discharged by committees dealing with smaller areas and such bodies would be especially useful and desirable in tracts in which it is found impossible or premature to establish a village panchayat system

Action now required

25 It will probably be found on examination that a large part of the suggestions put forward in this Resolution can be brought into effect without any change in the existing legislation and so far as this can be done action should be taken without further delay In some provinces, as in Madras, the amendment of the existing law is already in contemplation In others, as in the United Provinces and Assam, there has been recent legislation which to a large extent meets the necessities of the present Resolution and it will be for the local Governments in such provinces to determine whether fresh legislation will be necessary at the present time to meet the requirements now suggested The development of a village panchayat system, where this is undertaken, should in any case be secured by separate legislation unconnected with the Acts relating to municipal and rural boards

It is hoped that by the adoption of the policy indicated in this Resolution a substantial advance may be made in the direction of a more developed and more liberal form of local self government It is probably in the sphere of local self government more than in any other that the changes which are now being effected in India will touch the great mass of the population If the local administration is freed in the manner proposed from undue official guidance, a vast number of persons should feel themselves for the first time placed in effective control of the matters which affect their every day life and the local bodies will be invested with opportunities not hitherto enjoyed by them of improving the conditions of the populations entrusted to their charge The duties of local bodies cover most of the activities upon which the essential welfare of the country depends They have the care of the public health and all the circumstances upon which that health depends they control elementary education they construct and maintain local buildings and communications and they touch the life and convenience of the people at every point In the development of their interests and the extension of their responsibilities the self government of the country will secure a very real and important advance and it is on the increased experience to be gained in the administration of local civic affairs that the country must to a large degree rely for the expansion of its self dependence in the sphere of central government

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Government of Madras
Ditto Bombay
Ditto Bengal
Ditto the United Provinces
Ditto the Punjab
Ditto Burma
Ditto Bihar and Orissa
The Hon ble the Chief Commissioner of the Central Provinces
The Hon ble the Chief Commissioner of Assam
The Hon ble the Chief Commissioner and Agent to the Governor-General in the North West Frontier Province
The Chief Commissioner of Coorg
The Chief Commissioner of Delhi
The Home Department
The Foreign and Political Department
The Department of Revenue and Agriculture
The Public Works Department
The Finance Department
The Department of Commerce and Industry
The Railway Department
The Army Department
The Legislative Department

ORDER —Ordered, that a copy of the above Resolution be forwarded for information to the local Governments and Administrations, the Departments of the Government of India noted in the margin, the Director General, Indian Medical Service and the Sanitary Commissioner with the Government of India

Ordered, also, that the Resolution be published in the Supplement to the *Gazette of India*

E D MACLAGAN,

Secretary to the Government of India

SDE—1690—F 5-13—GCPS

G. F. S. VI—G/32]

SUBJECT. Govt of India Resolution on Local Self Govt

Diary No. 3297

Section Mun
File No 204-17
Serial No. 2

GENERAL AND REVENUE SECRETARIAT

(IV)

, the 191

No Pol. 1207

Date of issue 24. 6. 1918

To

The 1st Asst to the Hon'ble the President in Council

Signed by B. Ramaswamy Ayyar

Sir,

I am directed to acknowledge with thanks the receipt of the copy of the Govt of India's Resolution on Local Self Govt dated the 16th May 1918 forwarded with your letter No 4225 of the 15th June 1918

I have etc

for Secy to Govt

Asst Secy

Missing

Rec'd 24.6.18

21.6.18